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SUBJECT: MOSCOW VIEWS ON KOREA

Classified By: Acting Pol M/C Bob Patterson. Reasons 1.4 (B/D).

¶1. (C) Summary. The GOR expressed satisfaction with the latest round of Six-Party meetings, with chief negotiator Aleksey Borodavkin confirming Russia's continued commitment to its Six-Party obligations. Most analysts thought that the success of the process depended on the U.S., the only Six-Party nation which could offer what the North really wanted -- normalization of diplomatic relations. While they endorsed U.S engagement, they cautioned against haste and urged a foolproof verification regime. Observers predicted integration of the Koreas rather than absorption of the North. Experts disagreed whether a continued U.S. military presence was necessary, but suggested NATO enlargement was a factor even in Korean reunification. End summary.

Welcoming Progress with Caution

¶2. (C) Both Moscow official and non-official circles welcomed the recent positive developments in the Six-Party Process. After the conclusion of the July 10-12 meetings in Beijing, Aleksey Borodavkin, the head of the Russian delegation, expressed satisfaction with the results and reconfirmed Russia's commitment to the Six-Party Process. Although the majority of Moscow experts praised U.S. efforts and were pleased with the general direction of the Six-Party Talks, several cautioned that the agenda was too "controlled" by North Korea. Gennadiy Churfin of the Institute of World Economy and International Relations (IMEMO) termed "North Korea a Cinderella in this process." According to former Russian Ambassador to South Korea Georgiy Kunadze, the North Korean leadership was little more than a "spoiled child" that was manipulating U.S. domestic politics. With the U.S. electoral season in full swing, they feared that a new administration might try an "anything but Bush" approach to the Six-Party process. Fyodor Lukyanov, Editor-in-Chief of Russia in Global Affairs, maintained that the U.S. seemed to be "in a hurry" to move the Six-Party agenda forward, together with missile defense, and NATO MAP for Georgia and Ukraine.

Engagement -- the Only Way

¶3. (C) Aleksandr Vorontsov of the Institute of Oriental Studies termed engagement a long process, that required patience. It was, he thought, the only way to maintain leverage over North Korea. Economic leverage came only with economic engagement. Aleksey Bogaturov of the State Institute of International Relations (MGIMO) agreed, saying that to influence North Korea meant to engage with it. The lone, dissenting voice came from Mikhail Mikheyev of IMEMO, who thought that rewards to North Korea should be contingent on economic and social reform which, if completed, would make de-nuclearization irrelevant.

Verification -- the Key

¶ 14. (C) Everyone agreed that verification was the key, and agreed on the difficulty of instituting a thorough and comprehensive verification protocol. Many argued that the demolition of Yongbyon -- although symbolic and important -- should not be overestimated. It was a decrepit facility that needed to be destroyed, and the North had managed to have others pay for the work. Before departing for Beijing for the July 10 - 12 Six-Party meetings, Oleg Davydov of the MFA Korea Desk told us that the IAEA was best positioned to confirm if the North had abided by the verification regime established by the Six-Party Process. Analysts believed that the amount of plutonium that the North possessed fell somewhere between 30kg and 60kg. Chufrin thought that Russian intelligence had it closer to 60. A surprising number of analysts said that the North would never give up its nuclear card, among them Kunadze, Mikheyev, and Anton Khlopkov, Deputy Director of the PIR Center.

¶ 15. (C) Zhebin warned that each step of the way would be accompanied by a new demand from the North, making it an arduous process. The most difficult phase would be nuclear weapons, for which the North would demand the establishment of diplomatic relations. Many "tough" questions remain to be answered, including the North's uranium enrichment program and previous cooperation with countries such as Syria. Chufrin added that there would be a constant push and pull in gauging how "intrusive" the verification regime could be.

Russian Contribution: Slow Coming but Real

¶ 16. (C) Analysts thought that Korea was not a foreign policy priority for Russia. Putin's visit to Pyongyang, immediately before his participation in the 2000 Okinawa G-8 Summit, triggered a more serious awareness of North Korea among the public. Analysts recalled the sluggish attitude the GOR had demonstrated at earlier Six-Party meetings, where it "hid behind" China. The turning point came in May 2007, with the resolution of the Banco Delta Asia dispute, where the impasse caused by the U.S. Treasury's freezing of the North's assets had been unlocked through the GOR's successful brokering, freeing the Six-Party Process to resume in July. Lukyanov said that the GOR, which to that point had no "special role" in the Process, suddenly felt that it had made a small but meaningful contribution. Now, both official and non-official circles believed that a peaceful solution on the peninsula was in Russia's interests. For one thing, Russia would be one of the beneficiaries of the economic opportunities that would emerge, such as the linking of the Trans-Korea and Trans-Siberia railways. Chufrin reminded us that the Six-Party Process was one of those "rare" international fora where the U.S. and Russia cooperated well, and where Russia did not object to U.S. initiatives.

Inter-Korea Relations

¶ 17. (C) Maksim Volkov, MFA Korea Desk, worried about deteriorating inter-Korea relations. The antagonism between the South and North could not be helpful for the Six-Party Process. Once the inertia of the past nine years of the Sunshine policy ran out, the negative impact of the conservative policies of the new South Korean President Lee Myung Pak would color all further developments, warned Vorontsov. The North's initial silence about Lee's election had been broken by critical rhetoric a few weeks after his inauguration. Within a few months, hostilities had surfaced and had culminated in the July 11 shooting of a South Korean tourist who had been vacationing at a tourist destination popularized by the sunshine policy near Mount Geumgang in North Korea. The shooting occurred, ironically, as the Six-party meetings were in session in Beijing. The circumstances, and the aftermath of the tragic shooting, evoked the Cold War; where accusations and counter-accusations between the communist North and the staunchly anti-Communist South had been the norm. Vorontsov said that Koreans who, with much effort, had ceased to fear

the possibility of inter-Korea hostilities, had been immediately returned to their previous, uneasy state of mind.

What Next?

¶18. (C) Despite the recent dip in the bilateral relationship, all agreed that at some point the two Koreas would re-unite. The majority thought that a slow integration of the two systems --paid for by South Korea-- rather than absorption of one by the other, would be more likely. The change in South Koreans' attitude toward North Korea in the last decade meant that a substantial number of South Koreans considered their Northern relatives less corrupted by Western materialism and more genuine representatives of Korean traditions. Per Lukyanov, the ultra-nationalism that was present in Korea would bind the two Koreas together as well. Anti-U.S. sentiment, demonstrated by the violent reaction to the lift of the ban on U.S. beef was another factor to watch, he added.

¶19. (C) Analysts maintained that North Korea was in economic crisis and in need of economic assistance. The endless stream of North Korean refugees to China, to Southeast Asia, and to South Korea would eventually create discontent at the receiving end. Bogaturov said that North Korea's collapse was in no one's interest and criticized those who advocated a quick fix, saying that a collapse of the North Korean regime would mean much suffering for both North and South Korea. He warned against a re-unification "model" that ignored the human factor. Analysts, many of whom worked and lived in North Korea before, insisted that there were "liberals" in North Korea who were waiting for a time, when they could play a major role in the transformation of North Korean society and its ultimate integration. Vorontsov urged that a tiny crack in the North Korean system -- witnessed in the minuscule scale of economic change in North Korea -- should be nurtured, rather than discouraged through sanctions and economic isolation.

U.S. Presence? Yes and No

¶10. (C) Analysts were divided on the need for a continued U.S. military presence on the peninsula after re-unification. All agreed that China, more than Russia, would object to it. According to Bogaturov, Russia has been uncomfortable about the U.S. presence for so long (and nothing happened) that it would no longer be a factor. If anything, the U.S. presence would provide a counterbalance to the fiercely expanding China which Russia so feared, he said. Vorontsov argued that Russia would prefer a "neutral" state that was the product of a peaceful and voluntary union, and had no foreign military presence. Vorontsov added that, "knowing the U.S.," that would not be possible. Many thought the specter of NATO enlargement hovered over Asia as well, with some fearing that the U.S. presence in Japan, Taiwan and Korea could be destabilizing rather than stabilizing. Chufrin guessed that a strong, unified Korea would create a new dynamic in the region, while a continued U.S. presence would certainly complicate the picture. He added that reunification of Korea would "not trigger a charity exercise" by its neighbors.

Faultlines -- Deep and Wide

¶11. (C) Ultimately, the unification of Korea would worry China and Japan more than Russia, analysts thought. While Russia had no serious problems with either South or North Korea, historical animosities ran deep among the three North Asian nations. With Japan more and more isolated in the Six-Party Process, the Northeast Asian political landscape is getting more complicated. Bogaturov said, "Japan is doomed to be the loser in this game." He criticized Japan's insistence on linking the abductee issue with economic assistance to North Korea. Despite the potential for economic benefit, numerous regional integration plans

remained abortive, because of the incompatibility of regional players, stemming from their historical mistrust and vastly different outlooks on the future of Northeast Asia. Chinese and Korean grievances over Japan's WWII atrocities remained fresh. Mikheyev affirmed that Russia, as the chair of the Six-Party fifth Working Group, which had a chance of transforming itself into an umbrella security organization, would seek how best shore up its position in Northeast Asia, while China and Japan attempted to influence unification to their benefit.

BEYRLE